

EXHIBIT A

Proposed Order

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

FTX TRADING LTD., *et al.*,¹

Debtors.

Chapter 11

Case No. 22-11068 (JTD)

(Jointly Administered)

Ref. No. __

**ORDER (A) AUTHORIZING THE DEBTORS TO ENTER INTO THE STIPULATION
WITH PHALA LTD., (B) APPROVING THE STIPULATION, AND
(C) GRANTING RELATED RELIEF**

Upon the motion (the “Motion”)² of FTX Trading Ltd. and its affiliated debtors and debtors-in-possession (collectively, the “Debtors”), for entry of an order (this “Order”) (a) authorizing the Debtors to enter into the Stipulation, which is attached hereto as Exhibit 1, (b) approving the Stipulation, and (c) granting certain related relief; and this Court having jurisdiction to consider the Motion pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated February 29, 2012; and this Court being able to issue a final order consistent with Article III of the United States Constitution; and venue of these Chapter 11 Cases and the Motion in this district being proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this matter being a core proceeding pursuant to 28 U.S.C. § 157(b); and this Court having found that proper and adequate notice of the Motion and the relief requested therein has been provided in accordance with the Bankruptcy Rules and the Local Rules, and that, except as otherwise ordered herein, no other or

¹ The last four digits of FTX Trading Ltd.’s and Alameda Research LLC’s tax identification number are 3288 and 4063 respectively. Due to the large number of debtor entities in these Chapter 11 Cases, a complete list of the Debtors and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors’ claims and noticing agent at <https://cases.ra.kroll.com/FTX>. The principal place of business of Debtor Emergent Fidelity Technologies Ltd is Unit 3B, Bryson’s Commercial Complex, Friars Hill Road, St. John’s, Antigua and Barbuda.

² Capitalized terms not otherwise defined herein are to be given the meanings ascribed to them in the Motion.

further notice is necessary; and objections (if any) to the Motion having been withdrawn, resolved or overruled on the merits; and this Court having found and determined that the relief set forth in this Order is in the best interests of the Debtors and their estates; and that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor;

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED as set forth herein.
2. The Debtors are authorized to enter into the Stipulation.
3. The terms of the Stipulation are approved in their entirety.
4. The failure to specifically include or reference any particular term or provision of the Stipulation in this Order shall not diminish or impair the effectiveness of such term or provision.
5. The Debtors are authorized and empowered to execute and deliver such documents, and to take and perform all actions necessary to implement and effectuate the relief granted in this Order.
6. The requirements set forth in Bankruptcy Rule 6004(a) are waived.
7. This Order is immediately effective and enforceable, notwithstanding the possible applicability of Bankruptcy Rule 6004(h) or otherwise.
8. This Court shall retain jurisdiction with respect to any matters, claims, rights or disputes arising from or related to the Motion or the implementation of this Order.

Dated: _____
Wilmington, Delaware

The Honorable John T. Dorsey
Chief United States Bankruptcy Judge

Exhibit 1

Stipulation

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

FTX TRADING LTD., *et al.*,¹

Debtors.

Chapter 11

Case No. 22-11068 (JTD)

(Jointly Administered)

ALAMEDA RESEARCH LTD. and FTX
TRADING LTD.,

Plaintiffs,

- against -

PHALA LTD.,

Defendants.

JOINT STIPULATION BETWEEN THE DEBTORS AND PHALA LTD.

This stipulation (“Stipulation”) is being entered into by and among Alameda Research Ltd. (“Alameda”) and its affiliated debtors and debtors in possession (collectively, the “Debtors”), and Phala Ltd. (“Phala”). The Debtors and Phala are each a “Party” and are referred to collectively as the “Parties.”

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WHEREAS, on November 30, 2021, Alameda and Phala entered into an agreement pursuant to which Phala loaned Alameda 6,000,000 PHA tokens (the “PHA Agreement”);

WHEREAS, on November 11 and November 14, 2022 (as applicable, the “Petition Date”),² the Debtors filed petitions for voluntary relief under chapter 11 of the Bankruptcy Code, 11 U.S.C. §§ 101 *et seq.*, in the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”);

WHEREAS, on June 23, 2023, Phala filed a non-customer proof of claim (the “Claim”) against Alameda in the amount of \$3,968,400 (Proof of Claim No. 3191), seeking, *inter alia*, the return of the 6,000,000 PHA tokens loaned to Alameda and/or purported damages incurred by Phala in connection with the PHA Agreement;

WHEREAS, the Parties have been engaged in good-faith, arm’s-length negotiations about consensually resolving the Claim;

WHEREAS, in order to avoid the expense, burden and inconvenience of litigation, the Parties desire and intend to effect a final settlement and resolution of the Claim; and

WHEREAS, the Debtors, in the exercise of their business judgment, have concluded that a final settlement and resolution of the Claim in accordance with the terms of this Stipulation is in the best interest of the Debtors, their creditors, and other stakeholders.

NOW, THEREFORE, IT IS HEREBY STIPULATED by and among the undersigned counsel for the Parties as follows:

1. **Bankruptcy Court Approval.** This Stipulation among the Parties is subject in all respects to the approval of the Bankruptcy Court. Pending approval of this

² November 11, 2022 is the Petition Date for all Debtors, except for Debtor West Realm Shires Inc.

EXECUTION VERSION

Stipulation by the Court, and subject to the occurrence of the Effective Date, each of the Parties agrees that it is, and will be, bound by this Stipulation and waives any right to object to approval by the Court. The Debtors shall file a motion, in a form reasonably acceptable to Phala, seeking approval of the Stipulation (the “Approval Motion”) within fourteen (14) days following execution of this Stipulation by all Parties. In the event that the Bankruptcy Court does not approve this Stipulation, or the order approving the Stipulation (the “Approval Order”) does not become final and non-appealable, this Stipulation shall become null and void and of no further force and effect.

2. **Effective Date.** The terms of this Stipulation shall be effective upon the Approval Order becoming final and non-appealable (the “Effective Date”).

3. **Allowance of Claim.** As of the Effective Date, the Debtors grant Phala an allowed unsecured digital asset loan claim against Alameda in the amount of Nine Hundred and Sixty Thousand Dollars (\$960,000.00), representing the agreed Petition Date price of the 6,000,000 PHA tokens. The Debtors, or their claims and noticing agent, shall update the claims register to reflect the allowance of the Claim.

4. **Mutual Releases.** Upon the Effective Date, each Party unconditionally and irrevocably releases, acquits and forever discharges the other Parties and their officers, members, directors, employees, agents, attorneys and stockholders from any and all claims, counterclaims, demands, liabilities, suits, debts, costs, expenses, and causes of action, at law or in equity, including, but not limited to, claims for interest, compensatory, exemplary, statutory, punitive or restitutionary damages, and expert or attorneys’ fees and costs, related to the Claim and the PHA Agreement; *provided, however*, that the foregoing shall not release any obligations under or claim for breach of this Stipulation.

5. **No Admission of Wrongdoing.** This Stipulation does not constitute an admission by any of the Parties of any wrongful action or violation of any federal, state, or commonwealth statutory or common law rights, or any other possible or claimed violation of law or rights. The Stipulation shall not be construed as an admission of liability.

6. **Good Faith and Understanding.** The Parties expressly represent and warrant that this Stipulation is given in good faith and acknowledge that execution of this Stipulation is not the product or result of any duress, economic or otherwise. The Parties represent and warrant that they have read and understand the terms of this Stipulation. The Parties further represent and warrant that each individual signing the Stipulation on behalf of such Party is fully authorized to sign on behalf of said Party.

7. **Cooperation.** Each Party shall cooperate with each other Party and take such actions as are reasonably necessary to obtain approval of this Stipulation by the Bankruptcy Court and entry of the Approval Order, and to effectuate its terms.

8. **Counterparts.** The Parties may execute this Stipulation in multiple counterparts, each of which constitutes an original as against the Party that signed it, and all of which together constitute one agreement.

9. **Jurisdiction and Choice of Law.** The Parties irrevocably consent to the jurisdiction of the Bankruptcy Court with respect to all matters arising from or related to this Stipulation, including, without limitation, for purposes of enforcing the terms and conditions of this Stipulation. This Stipulation shall be governed by the laws of the State of Delaware. In the event that the Bankruptcy Court does not approve this Stipulation, or the Approval Order does not become final and non-appealable, nothing contained herein shall constitute a consent to subject

EXECUTION VERSION

matter jurisdiction by Defendants in the Chapter 11 Cases or Adversary Proceeding, or a waiver of any Parties' rights with respect to subject matter jurisdiction.

10. **Authorization.** Each Party, by and through their undersigned counsel, represents and warrants that the undersigned is fully authorized and empowered to execute and deliver this Stipulation on behalf of, and to bind, each of the Parties, as applicable, to the terms and conditions of this Stipulation.

11. **Costs.** Each Party shall bear its own costs and legal fees in connection with this Stipulation.

EXECUTION VERSION

AGREED BY:

July 19, 2024



SULLIVAN & CROMWELL LLP

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